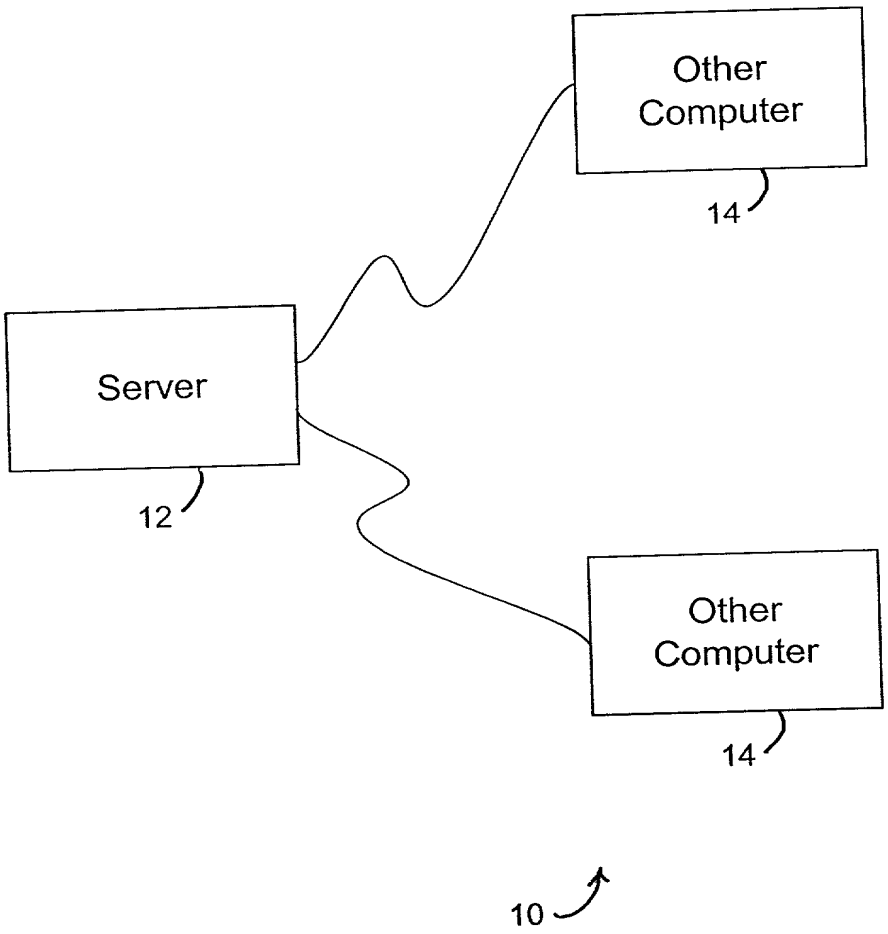

FIGURE 1

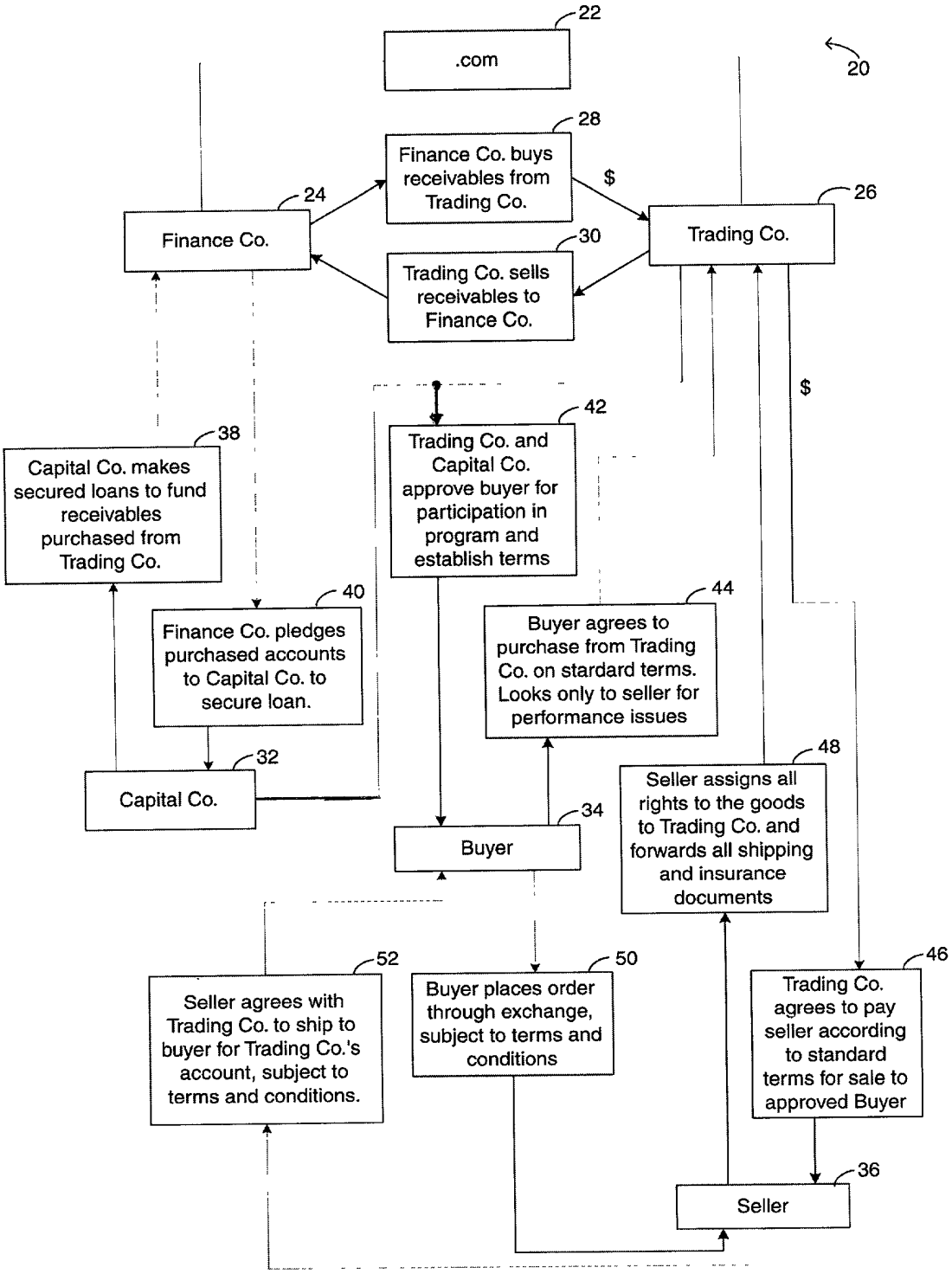
22
.com
20
28
Finance Co. buys receivables from Trading Co.
$
24
26
Finance Co.
Trading Co.
30
Trading Co. sells receivables to Finance Co.
$
42
38
Trading Co. and Capital Co. approve buyer for participation in program and establish terms
Capital Co. makes secured loans to fund receivables purchased from Trading Co.
40
44
Finance Co. pledges purchased accounts to Capital Co. to secure loan.
Buyer agrees to purchase from Trading Co. on stardard terms. Looks only to seller for performance issues
32
48
Capital Co.
Seller assigns all rights to the goods to Trading Co. and forwards all shipping and insurance documents
34
Buyer
52
50
46
Seller agrees with Trading Co. to ship to buyer for Trading Co.'s account, subject to terms and conditions.
Buyer places order through exchange, subject to terms and conditions
Trading Co. agrees to pay seller according to standard terms for sale to approved Buyer
36
Seller

Figure 2